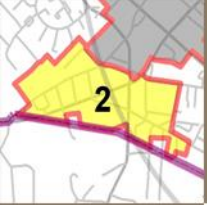


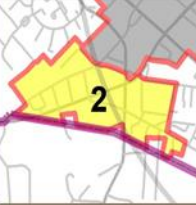
## **7. Economic Development**



## South Washington Street Corridor Planning Opportunity Area 2

### Overview

- Redevelopment in the South Washington Street Corridor Planning Opportunity Area (POA) can result in significant commercial expansion and tax base growth for the City.
- The area can be a hub for Class A office development, workforce housing, as well as retail, restaurant, and service businesses that create a healthy and sustainable mix of higher-density land uses. Historically, the areas south of West Broad Street and west of South Washington Street are where office buildings have sought to locate in the City.
- With the notable exceptions of Pearson Square and the Tax Analysts Building, the South Washington Street POA is currently built to lower-density suburban standards. While this pattern has produced an eclectic mix of popular and long-standing businesses, the predominant land use in the area is surface parking, which generates very low tax yield for the City relative to urban-scale density.
- The area is dominated by motor vehicle sales, service and transportation businesses that require large tracts of commercial land – a condition that is greatly restricted by zoning in many urban centers in the Washington, DC region because of its low tax-producing yield for local jurisdictions.



## Land Values & Tax Base

In the City of Falls Church only 200 acres are zoned for commercial land uses or mixed-use development – less than 15 percent of the City's 2.2 square miles of land. To increase the taxable value of the 32 acres of commercial land in the South Washington Street Corridor POA will require higher density redevelopment over time.

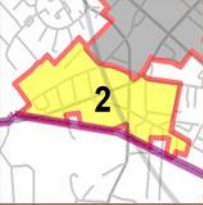
Today there is an average floor area ratio (FAR) of 0.56 in the South Washington Street Corridor POA (about 790,000 sqft of buildings on 1.4 million sqft of land). This land use density generates about \$6.4 million per year in real estate and business taxes for the City, or \$198,000 per acre per year. If the Pearson Square and Tax Analysts properties are removed from these totals because they are already redeveloped at a more urban density of 2.10 FAR, then the remaining South Washington Street Corridor POA produces just \$4.6 million in annual tax revenue to the City on 27.6 acres with an average FAR of 0.29, or \$167,000 per acre per year.

Pearson Square is the largest of the mixed-use developments built in the City to date, although it is not the densest in terms of FAR. The Tax Analysts Building was the largest office building constructed in Falls Church since the mid-1980s. These two buildings now account for more than half of all the built space in the South Washington Street Corridor POA on only 15 percent of the land.

If a modestly greater average FAR of 1.50 is achieved throughout the remaining South Washington Street Corridor POA, annual tax revenue for the City could climb to nearly \$11 million, or about \$338,000 per acre per year based on fiscal impact modeling. A density averaging 2.5 FAR, as recommended for suburban mixed-use redevelopment areas by the Urban Land Institute, within the South Washington Street Corridor POA could produce about \$15.3 million in annual tax revenue for the City, or about \$474,000 per acre. Even greater returns are possible as the density increases.

## The Nature and Shape of Future Development

Future building height and massing is likely to vary in the South Washington Street Corridor POA, along with redevelopment densities for individual properties. One scenario might be a small office park, with some buildings reaching maximum heights allowed by zoning, ringed perhaps by lower rise office with ground level retail, restaurants and service uses. Mixed-use development with mid-rise housing at peripheral locations would serve to increase vitality and complementary land uses in the area, balancing day and evening populations (office tenants and residents) to support commercial activity.



## South Washington Street Corridor Planning Opportunity Area 2

# Economic Development

## South Washington Commercial Areas (32.3 acres)

<i>Densities</i>	<i>Floor Area Ratio (FAR)</i>	<i>Square Feet of Buildings</i>	<i>Estimated Gross Tax Revenue to the City</i>	<i>Estimated Gross Tax Yield Per Acre</i>
Current Conditions (including Pearson Square & Tax Analysts Building)	0.56	787,957 sf	\$6,398,000	\$198,000
Current Conditions (without Pearson Square & Tax Analysts Building)	0.29	353,957 sf	\$4,606,000	\$167,000
Modestly Greater Density Scenario*	1.50	2,238,547 sf	\$10,922,500	\$338,000
Medium Urban Density Scenario*	2.50	3,441,578 sf	\$15,311,500	\$474,000

\* Includes Pearson Square and Tax Analysts and assumes no change to 2012 gross revenue yield for those properties.

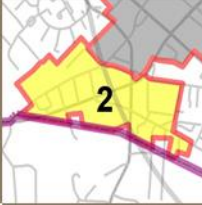
### Notes:

(1) Modest and medium densities assume land use ratios as follows: residential (35%); office (30%); retail (30%); restaurant 5%).

(2) Pearson Square & Tax Analysts Building are 26% commercial; 74% residential; & 2.10 FAR on 4.7 acres.

S. Washington densities & taxes- revised





A critical factor in making the South Washington Street Corridor POA an office hub is having walkable amenities for the day population that offices bring. Convenient retail and service businesses, a grocery store, more restaurants, delis and night spots, arts and cultural activity, access to mass transit, a good pedestrian experience, and open space are among the many elements that office tenants consider when they make a location decision. At the same time, new residents in the City are needed to support our local businesses and to create demand for new retail, restaurants, and commercial services.

Falls Church demographics reveal that the City has proportionately fewer 20- to 35-year-olds than any of its Northern Virginia neighbors. At the same time there is an under-supply in the region of rental housing to serve a younger population and a continuing stream of workers migrating to the Washington, DC area, including those filling the jobs of retiring Baby Boomers. Falls Church has very little housing inventory available to serve the needs of a younger workforce. Mid-rise housing built over commercial space can complement the City's effort to attract more office development in the South Washington Street Corridor POA.

## Enhancing & Preserving the Best of South Washington Street

There are many unique, successful and long-tenured businesses in the South Washington Street Corridor POA. To the extent possible the City and property owners must work together to retain the commercial fabric of this area, assist business tenants that wish to remain to identify the best options for doing so, and help others transition to new locations either inside or outside the area.

The history of the South Washington Street Corridor POA and the Tinner Hill legacy are more fully described in other sections of this document (Chapter 2, Background; Chapter 3, Arts, Culture, and Historic Preservation), but it is important to note that arts, cultural, and historic assets are a leading part of what makes the South Washington Street Corridor POA a special place. New development that incorporates and builds upon the area's arts, cultural, and historic foundation is strongly encouraged.



## South Washington Street Corridor Planning Opportunity Area 2

### **Tools and Incentives to Encourage Redevelopment**

The City can bring powerful tools and incentives to encourage and to shape commercial redevelopment in the South Washington Street Corridor POA. Assistance in sharing the costs of new and upgraded public infrastructure such as open space and structured parking are examples of improvements that the City can facilitate through tax increment financing, business improvement districts, and other programming.

#### **Tax Increment Financing**

Tax increment financing (TIF) is a way to set aside, for a limited period of time, all or part of the so-called increment of new taxes generated by new development, to invest in public improvements. New and improved roads, expanded sewer and water systems, undergrounding of utilities, streetscapes, as well as public parking structures and park space, are some of the potential uses of TIF revenue. Projects can be accomplished on a pay-as-you-go basis or through the issuance of general obligation bonds. Another approach is to create a 'virtual TIF' where the City would participate on a case-by-case basis through diversion or abatement of incremental taxes via a

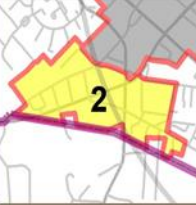
development agreement with private sector partners.

#### **Business Improvement Districts**

The City can establish by ordinance a business improvement district (BID) in a defined area within which property owners pay an additional tax on real estate in order to fund improvements or services within the district's boundaries. Taxes generated by BIDs can be used for district maintenance, security, capital improvements, marketing and promotion, facilities operation and staffing, and more. The services provided by a BID would be supplemental to those already provided by the City.

#### **Industrial Revenue Bonds**

The City's Economic Development Authority, with City Council approval, may issue tax-exempt or taxable industrial revenue bonds (IRBs) on behalf of qualified companies to finance the construction of buildings and related infrastructure (including parking). Examples of qualifying projects are construction of corporate headquarters and facilities for nonprofit corporations, such as trade associations. The Tax Analysts Building was financed by a \$25 million IRB.



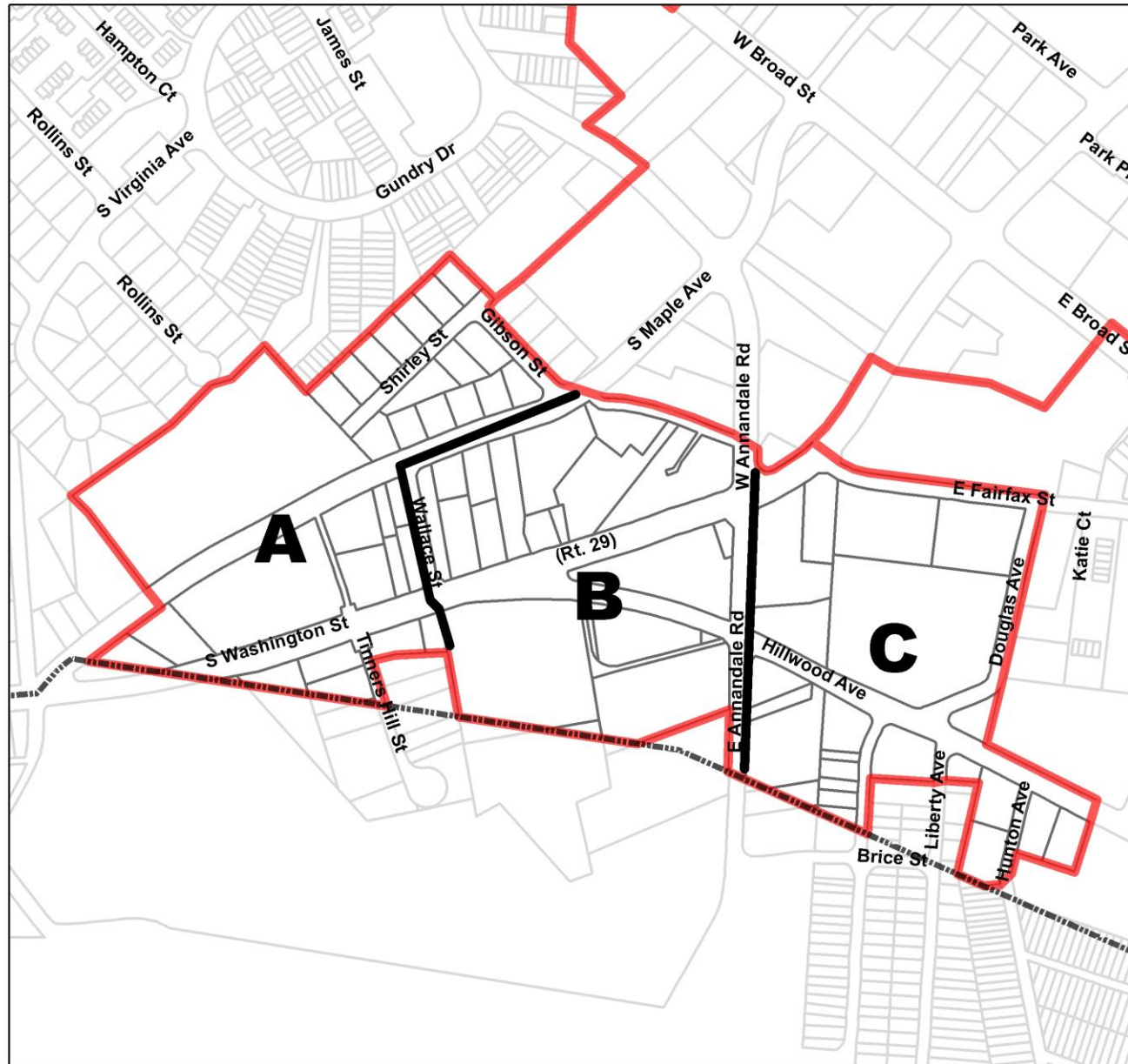
## **Commercial Property Rehabilitation Tax Abatement Program**

Owners of buildings at least twenty years old may qualify for up to five years abatement of real estate taxes on the value of improvements that increase a building's assessed property value by at least fifty percent.

## **Arts & Culture District**

The South Washington Street Corridor POA has been identified for possible inclusion in an Arts and Culture District for the City. If included, economic development incentives have been approved by the Commonwealth for implementation. These include tax incentives for up to ten years, such as reduced permit and user fees and reduction of gross receipts tax. Regulatory flexibility may also be applied to the area, which may include a special zoning district or exemption from ordinances for up to ten years. These incentives can provide the opportunity to display public art, provide community facilities, and hold community oriented cultural activities and events. The recommended boundaries of the Arts and Culture District will be presented in the updated Comprehensive Plan.

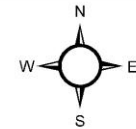
# South Washington Street Corridor Planning Opportunity Area 2



## Property Info

**S Washington St  
Corridor**

**Planning  
Opportunity  
Area 2**



**City of  
Falls Church**

## Legend

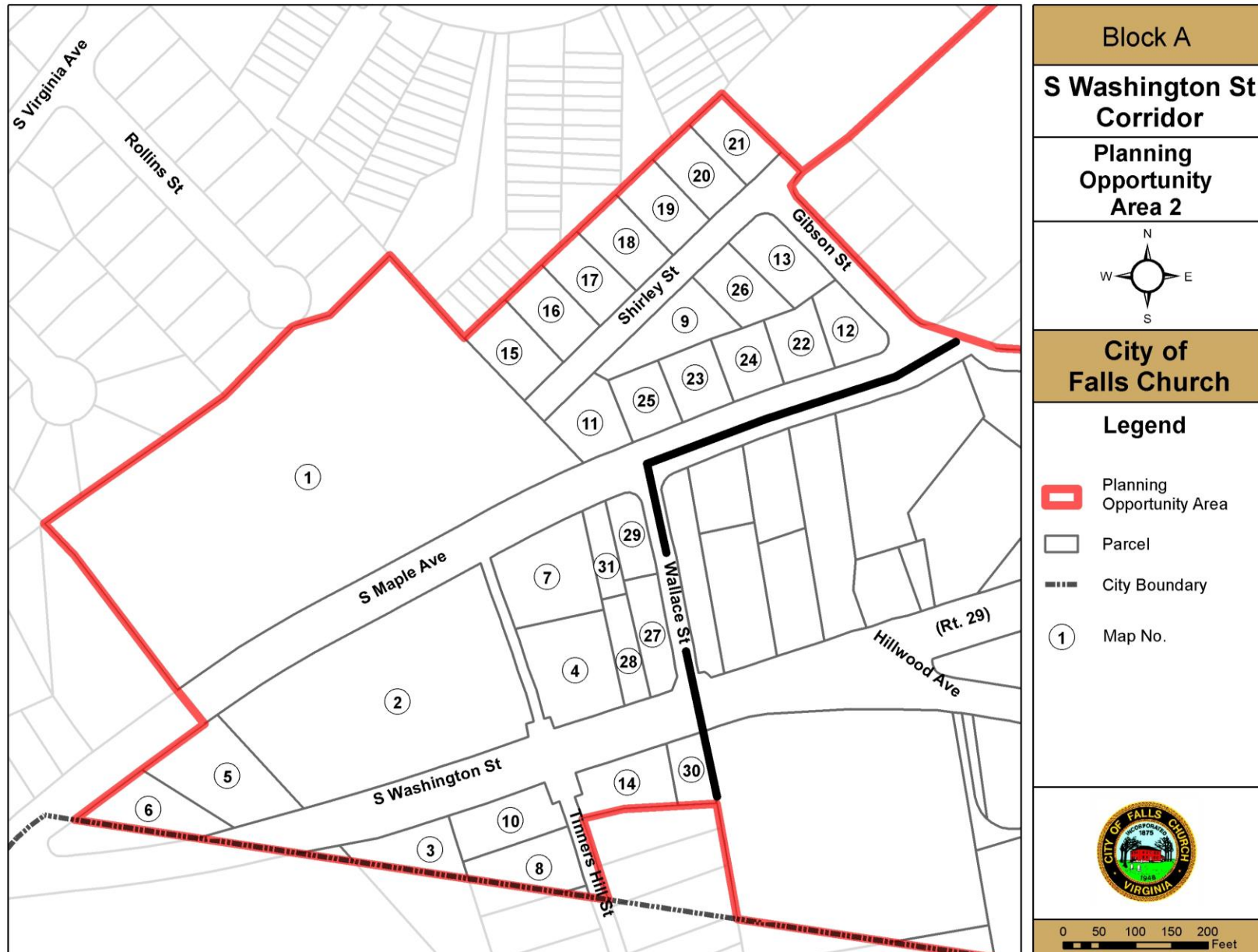
-  Planning Opportunity Area
-  Parcel
-  City Boundary



0 100 200 300 400  
Feet



# South Washington Street Corridor Planning Opportunity Area 2



Economic Development

# South Washington Street Corridor Planning Opportunity Area 2

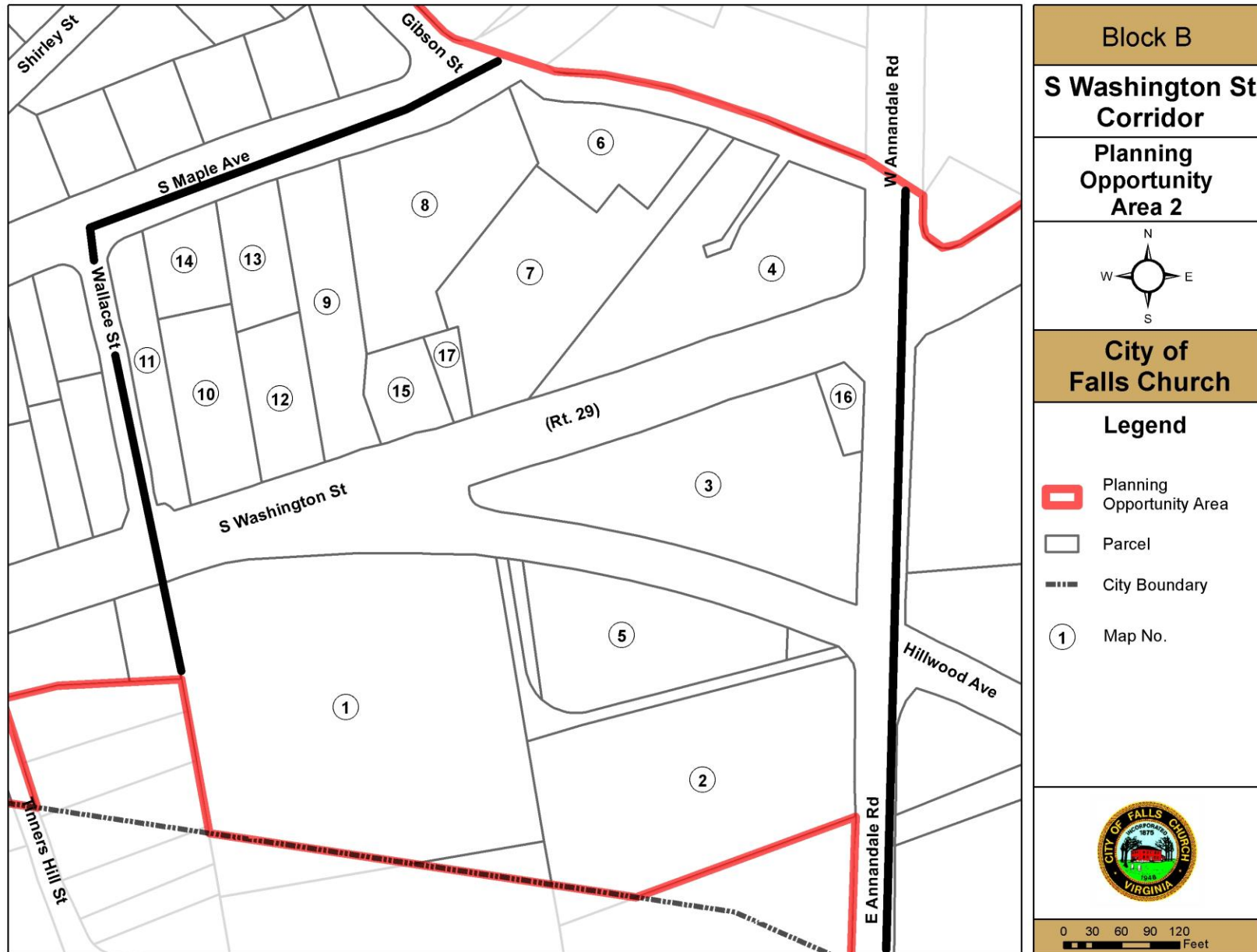
## Property Information - Block A

Map No.	Address	Owner	Legal Acreage	Current Zoning	Land Value	Dwelling Value	Total Value
1	410 S MAPLE AVE	TWM PEARSON SQUARE LLC C/O TRANSWESTERN INVESTMENT CO	3.2859	470 - B-3 GENERAL BUSINESS	\$19,080,800	\$57,134,700	\$76,215,500
2	540 S WASHINGTON ST	PETER MUELLER INC ATTN: JOHN COYLE	1.8207	470 - B-3 GENERAL BUSINESS	\$3,648,300	\$815,600	\$4,463,900
3	525 S WASHINGTON ST	ACE REAL PROPERTIES LLC	0.5836	470 - B-3 GENERAL BUSINESS	\$457,500	\$152,500	\$610,000
4	442 S WASHINGTON ST	METAXATOS, MARGARITA	0.3772	460 - B-2 CENTRAL BUSINESS	\$985,900	\$104,500	\$1,090,400
5	580 S WASHINGTON ST	J-BON CORPORATION	0.3729	470 - B-3 GENERAL BUSINESS	\$974,600	\$45,900	\$1,020,500
6	586 S WASHINGTON ST	LASSEN LENORA R	0.3505	470 - B-3 GENERAL BUSINESS	\$549,500	\$122,300	\$671,800
7	431 S MAPLE AVE	FAIRFAX REAL ESTATE LLC	0.3350	460 - B-2 CENTRAL BUSINESS	\$744,100	\$257,600	\$1,001,700
8	TINNERS HILL ST	CITY OF FALLS CHURCH	0.2572	470 - B-3 GENERAL BUSINESS	\$470,400	\$0	\$470,400
9	307 SHIRLEY ST	CREATIVE FIRST LLC C/O CREATIVE ASSET MGMT	0.2539	350 - R-M RES.MULTIFAMILY	\$435,900	\$110,800	\$546,700
10	503 S WASHINGTON ST	KIM SUNG WAN & SOON HEE	0.2259	470 - B-3 GENERAL BUSINESS	\$590,500	\$109,000	\$699,500
11	310 S MAPLE AVE	SMITS MARY H	0.2120	350 - R-M RES.MULTIFAMILY	\$408,500	\$113,400	\$521,900
12	300 S MAPLE AVE	FALLS CHURCH HOUSING CORP	0.2074	350 - R-M RES.MULTIFAMILY	\$405,500	\$101,200	\$506,700
13	303 SHIRLEY ST	SEARLE MANAGEMENT GROUP LC	0.2059	350 - R-M RES.MULTIFAMILY	\$404,500	\$97,400	\$501,900
14	445 S WASHINGTON ST	EBERT, MARGARET	0.2046	470 - B-3 GENERAL BUSINESS	\$534,800	\$49,700	\$584,500
15	312 SHIRLEY ST	MULLANE DANIEL J & ANNA	0.1903	350 - R-M RES.MULTIFAMILY	\$394,400	\$116,700	\$511,100
16	310 SHIRLEY ST	MULLANE DANIEL J & ANNA	0.1901	350 - R-M RES.MULTIFAMILY	\$394,200	\$110,100	\$504,300
17	308 SHIRLEY ST	RASSON FAMILY TRUST	0.1901	350 - R-M RES.MULTIFAMILY	\$394,200	\$109,100	\$503,300
18	306 SHIRLEY ST	FUNKEY JAMES R	0.1901	350 - R-M RES.MULTIFAMILY	\$394,200	\$99,800	\$494,000
19	304 SHIRLEY ST	FUNKEY JAMES R	0.1901	350 - R-M RES.MULTIFAMILY	\$394,200	\$98,200	\$492,400
20	300 SHIRLEY ST	GALLATIN PROPERTIES, LLC	0.1901	350 - R-M RES.MULTIFAMILY	\$394,200	\$109,100	\$503,300
21	300 SHIRLEY ST	GALLATIN PROPERTIES, LLC	0.1901	350 - R-M RES.MULTIFAMILY	\$394,200	\$109,100	\$503,300
22	302 S MAPLE AVE	AJAMIAN, GLENN & MARGARET & LE, KHAI & SUSAN	0.1900	350 - R-M RES.MULTIFAMILY	\$394,100	\$97,400	\$491,500
23	306 S MAPLE AVE	SAVICH, FRANKLIN A & SAVICH, DORA J	0.1885	350 - R-M RES.MULTIFAMILY	\$393,200	\$113,400	\$506,600
24	304 S MAPLE AVE	PUTZIGER BERNARD M & ADELHEID M	0.1864	350 - R-M RES.MULTIFAMILY	\$391,800	\$98,100	\$489,900
25	308 S MAPLE AVE	FLEVARAKIS, NICHOLAS & NIKI	0.1837	350 - R-M RES.MULTIFAMILY	\$390,000	\$111,200	\$501,200
26	305 SHIRLEY ST	PUTZIGER, BERNARD M & ADELHEID M	0.1832	350 - R-M RES.MULTIFAMILY	\$389,700	\$109,900	\$499,600
27	438 S WASHINGTON ST	PARK CHA SOK & CANDICE	0.1500	460 - B-2 CENTRAL BUSINESS	\$392,000	\$112,500	\$504,500
28	440 S WASHINGTON ST	PARK CHA SOK	0.1266	460 - B-2 CENTRAL BUSINESS	\$331,000	\$100,000	\$431,000
29	S WASHINGTON ST	PARK CHA SOK & CANDICE	0.1174	460 - B-2 CENTRAL BUSINESS	\$306,800	\$0	\$306,800
30	439 S WASHINGTON ST	WELSH ROBERT E JR	0.1147	470 - B-3 GENERAL BUSINESS	\$299,800	\$147,200	\$447,000
31	429 S MAPLE AVE	FAIRFAX REAL ESTATE LLC	0.1021	460 - B-2 CENTRAL BUSINESS	\$266,800	\$89,400	\$356,200

\*Map No. refers to the number on the map for the corresponding Block.



# South Washington Street Corridor Planning Opportunity Area 2



**Economic Development**

# South Washington Street Corridor Planning Opportunity Area 2

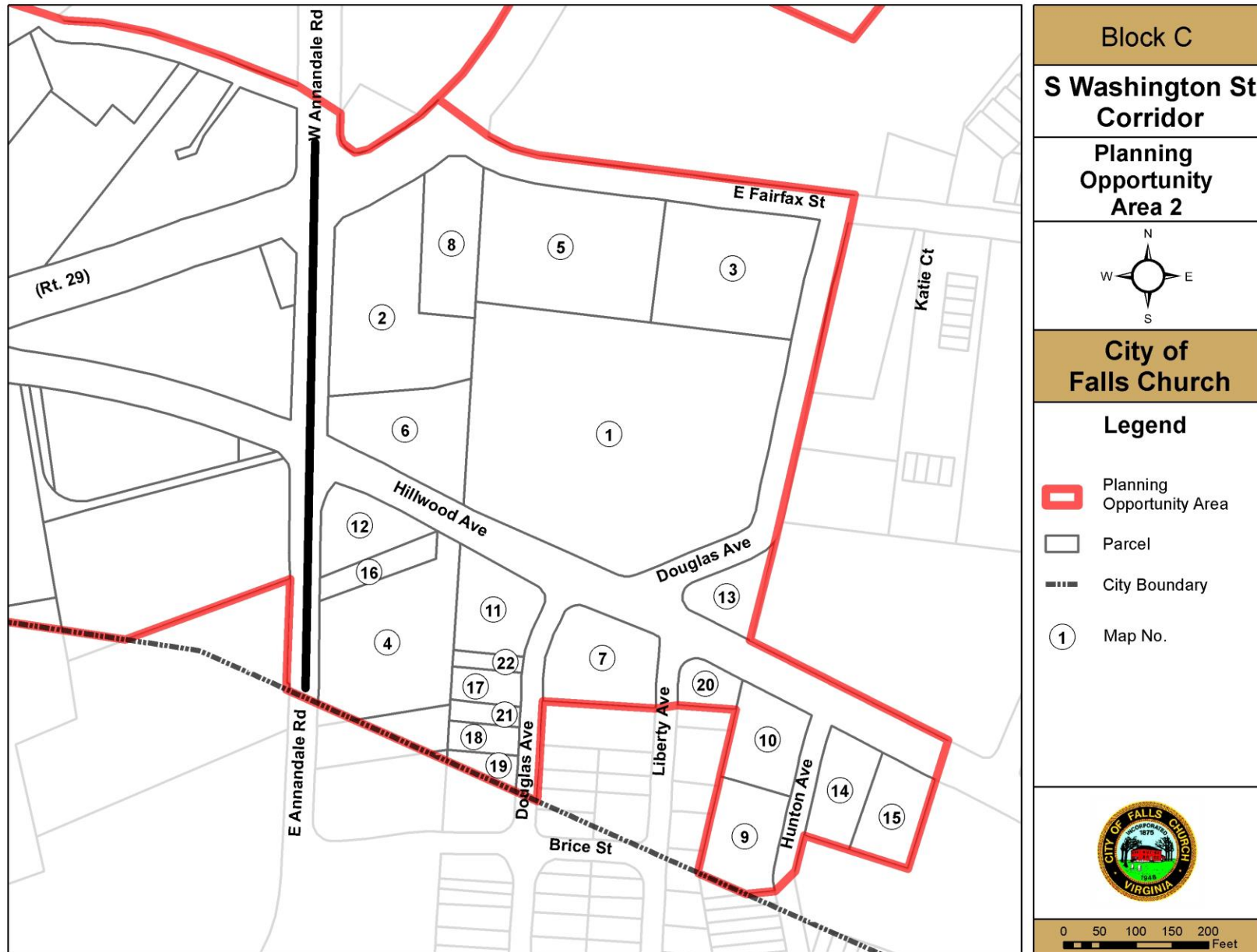
## Property Information - Block B

Map No.	Address	Owner	Legal Acreage		Current Zoning	Land Value	Dwelling Value	Total Value
1	435 S WASHINGTON ST	435 S WASH STREET LLC	2.4558	470 - B-3	GENERAL BUSINESS	\$4,674,900	\$992,500	\$5,667,400
2	302 E ANNANDALE RD	JIM KOONS LIMITED PARTNERSHIP C/O JIM KOONS MGMT CO	1.3452	470 - B-3	GENERAL BUSINESS	\$3,445,400	\$504,300	\$3,949,700
3	357 S WASHINGTON ST	NICHOLS NEAL C	0.8787	470 - B-3	GENERAL BUSINESS	\$2,296,600	\$582,600	\$2,879,200
4	308 S WASHINGTON ST	ADEN, LLC	0.7852	460 - B-2	CENTRAL BUSINESS	\$2,051,900	\$513,000	\$2,564,900
5	30 HILLWOOD AVE	GULF TWO LLC	0.7622	470 - B-3	GENERAL BUSINESS	\$1,991,900	\$216,700	\$2,208,600
6	350 S WASHINGTON ST	CC SOUTH HOUSING, LLC	0.6378	460 - B-2	CENTRAL BUSINESS	\$1,667,000	\$496,600	\$2,163,600
7	360 S WASHINGTON ST	RIVER OAK SECTION II, LLC	0.6233	460 - B-2	CENTRAL BUSINESS	\$1,629,100	\$613,000	\$2,242,100
8	303 S MAPLE AVE	HOMESTRETCH & HEMPHILL LLC	0.6053	460 - B-2	CENTRAL BUSINESS	\$1,582,000	\$259,100	\$1,841,100
9	410 S WASHINGTON ST	PIERCE, ROBERT & LIZA	0.4149	460 - B-2	CENTRAL BUSINESS	\$1,084,400	\$174,000	\$1,258,400
10	422 S WASHINGTON ST	BLAKE-SCOTT CORP C/O KAPNECK MANAGEMENT	0.3334	460 - B-2	CENTRAL BUSINESS	\$871,300	\$45,800	\$917,100
11	436 S WASHINGTON ST	BLAKE-SCOTT CORP C/O KAPNECK MANAGEMENT	0.2772	460 - B-2	CENTRAL BUSINESS	\$724,400	\$500	\$724,900
12	416 S WASHINGTON ST	KME, LLC	0.2523	460 - B-2	CENTRAL BUSINESS	\$659,400	\$261,600	\$921,000
13	307 S MAPLE AVE	HENDERSON, EDWIN B II & NICKIE D	0.2488	460 - B-2	CENTRAL BUSINESS	\$414,600	\$110,500	\$525,100
14	311 S MAPLE AVE	FLEVARAKIS, NICHOLAS & NIKI	0.1888	460 - B-2	CENTRAL BUSINESS	\$493,400	\$92,500	\$585,900
15	404 S WASHINGTON ST	RASSON FAMILY TRUST	0.1496	460 - B-2	CENTRAL BUSINESS	\$391,000	\$212,500	\$603,500
16	301 S WASHINGTON ST	SHALLAL AHMED S & SUAD	0.0626	470 - B-3	GENERAL BUSINESS	\$163,600	\$50,800	\$214,400
17	S WASHINGTON ST	RASSON FAMILY TRUST	0.0553	460 - B-2	CENTRAL BUSINESS	\$144,500	\$0	\$144,500

\*Map No. refers to the number on the map for the corresponding Block.



# South Washington Street Corridor Planning Opportunity Area 2



Economic Development

# South Washington Street Corridor Planning Opportunity Area 2

## Property Information - Block C

Map No.	Address	Owner	Legal Acreage	Current Zoning	Land Value	Dwelling Value	Total Value
1	155 HILLWOOD AVE	NEWCOMB BROADCASTING CORP ATTN: DORIS NEWCOMB PRES	2.9197	110 - OD-HA/B-3 SPLIT	\$7,122,200	\$516,300	\$7,638,500
2	101 E ANNANDALE RD	FALLS CHURCH INVESTMENTS, LLC	0.9175	110 - OD-HA/B-3 SPLIT	\$2,398,000	\$31,800	\$2,429,800
3	E FAIRFAX ST	THE FALLS CHURCH - TRUSTEES HUTSON, GOODRICH, SKANCKE	0.8788	470 - B-3 GENERAL BUSINESS	\$2,296,800	\$54,600	\$2,351,400
4	307 E ANNANDALE RD	COAKLEY CORNELIUS J TR	0.8504	470 - B-3 GENERAL BUSINESS	\$2,178,200	\$60,900	\$2,239,100
5	116 E FAIRFAX ST	THE FALLS CHURCH - TRUSTEES HUTSON, GOODRICH, SKANCKE	0.8354	470 - B-3 GENERAL BUSINESS	\$2,183,400	\$680,400	\$2,863,800
6	115 HILLWOOD AVE	COAKLEY HILLWOOD LIMITED PARTNERSHIP	0.3808	470 - B-3 GENERAL BUSINESS	\$995,200	\$513,800	\$1,509,000
7	200 HILLWOOD AVE	HILLWOOD AVENUE LLC	0.3607	470 - B-3 GENERAL BUSINESS	\$942,700	\$232,600	\$1,175,300
8	201 S WASHINGTON ST	SOUTHLAND CORP THE TAX DEPARTMENT 10744	0.3343	160 - OD-HA HISTORIC	\$873,700	\$194,500	\$1,068,200
9	300 HUNTON AVE	BELLINGHAM, JOHN D BELLINGHAM, LYNNE E	0.3266	470 - B-3 GENERAL BUSINESS	\$729,500	\$126,900	\$856,400
10	306 HILLWOOD AVE	LMB PROPERTIES LLC	0.2759	470 - B-3 GENERAL BUSINESS	\$721,100	\$106,500	\$827,600
11	156 HILLWOOD AVE	LENNY LANE LLC	0.2226	470 - B-3 GENERAL BUSINESS	\$581,800	\$174,800	\$756,600
12	100 HILLWOOD AVE	TONAKARN EAK	0.2201	470 - B-3 GENERAL BUSINESS	\$623,200	\$136,700	\$759,900
13	201 HILLWOOD AVE	SKAM, YEAP	0.1892	470 - B-3 GENERAL BUSINESS	\$494,500	\$60,600	\$555,100
14	308 HILLWOOD AVE	HILLWOOD ASSOCIATES	0.1791	610 - T-1 TRANSITIONAL	\$468,100	\$519,300	\$987,400
15	310 HILLWOOD AVE	BENEMELIS VICTOR A & ISABEL C	0.1729	900 - T-1/R-1A SPLIT	\$451,900	\$171,700	\$623,600
16	303 E ANNANDALE RD	TONAKARN EAK	0.1139	470 - B-3 GENERAL BUSINESS	\$297,600	\$1,400	\$299,000
17	DOUGLASS AVE	LENNY LANE LLC	0.1032	470 - B-3 GENERAL BUSINESS	\$229,200	\$0	\$229,200
18	304 DOUGLASS AVE	AMURRIO, LITZA	0.0846	470 - B-3 GENERAL BUSINESS	\$221,000	\$63,300	\$284,300
19	2760 DOUGLASS AVE	ROCHA, JOSE	0.0817	470 - B-3 GENERAL BUSINESS	\$114,400	\$0	\$114,400
20	301 LIBERTY AVE	WADE EASTER	0.0788	470 - B-3 GENERAL BUSINESS	\$206,000	\$65,100	\$271,100
21	DOUGLASS AVE	LENNY LANE LLC	0.0516	470 - B-3 GENERAL BUSINESS	\$114,600	\$0	\$114,600
22	DOUGLASS AVE	LENNY LANE LLC	0.0503	470 - B-3 GENERAL BUSINESS	\$111,600	\$0	\$111,600

\*Map No. refers to the number on the map for the corresponding Block.